

MINUTE ITEM

7. APPLICATION FOR PREFERENTIAL MINERAL EXTRACTION LEASE, CROWN MINING CO., INC., IMPERIAL COUNTY - W.O. 3363, P.R.C. 2496.2.

After consideration of Calendar Item 15 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO EXECUTE AND ISSUE TO CROWN MINING CO., INC., A PREFERENTIAL MINERAL EXTRACTION LEASE IN THE STANDARD FORM AUTHORIZED UNDER THE PUBLIC RESOURCES CODE, COVERING 160 ACRES IN THE NE $\frac{1}{4}$ OF SECTION 36, T. 12 S., R. 19 E., S.B.B. & M., IMPERIAL COUNTY, HERETOFORE INCLUDED IN PROSPECTING PERMIT P.R.C. 2359.2, AT THE ROYALTY RATE SPECIFIED IN THE SUBJECT PROSPECTING PERMIT, AND AT AN ANNUAL RENTAL OF \$160, SUBJECT TO THE DEPOSIT BY THE LESSEE OF A PERFORMANCE BOND IN THE AMOUNT OF \$1,000.

Attachment

Calendar Item 15 (1 page)

CALENDAR ITEM

15.

APPLICATION FOR PREFERENTIAL MINERAL EXTRACTION LEASE, CROWN MINING CO., INC., IMPERIAL COUNTY - W.O. 3363.

Prospecting Permit P.R.C. 2359.2, covering the NE $\frac{1}{4}$ of Section 36, T. 12 S., R. 19 E., S.B.B. & M., Imperial County, was issued on February 24, 1959 to Crown Mining Co., Inc.

An application for a preferential mineral extraction lease has been received from the Crown Mining Co., Inc. Pursuant to Section 14 of Prospecting Permit P.R.C. 2359.2, the permittee, upon establishing to the satisfaction of the Commission that valuable deposits of minerals have been discovered within the limits of the prospecting permit, shall be entitled to a lease for not more than 160 acres of the area within the permit, in accordance with the provisions of Division 6 of the Public Resources Code, at a royalty rate specified in Permit P.R.C. 2359.2.

A field reconnaissance disclosed that exploratory work has developed a body of pyrophyllite ore of approximately 100,000 tons and that total shipments of 1,080 tons of this ore have been made from the area included in Prospecting Permit P.R.C. 2359.2 and the adjoining area included in Prospecting Permit P.R.C. 2358.2, at an average sales price per ton of \$3.50. The minimum royalty under the specified schedule will be forty cents per ton for pyrophyllite ore extracted and shipped.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE AND ISSUE TO CROWN MINING CO., INC., A PREFERENTIAL MINERAL EXTRACTION LEASE IN THE STANDARD FORM AUTHORIZED UNDER THE PUBLIC RESOURCES CODE, COVERING 160 ACRES IN THE NE $\frac{1}{4}$ OF SECTION 36, T. 12 S., R. 19 E., S.B.B. & M., IMPERIAL COUNTY, HERETOFORE INCLUDED IN PROSPECTING PERMIT P.R.C. 2359.2, AT THE ROYALTY RATE SPECIFIED IN THE SUBJECT PROSPECTING PERMIT, AND AT AN ANNUAL RENTAL OF \$160, SUBJECT TO THE DEPOSIT BY THE LESSEE OF A PERFORMANCE BOND IN THE AMOUNT OF \$1,000.